

## HB 2503 STAFF MEASURE SUMMARY

### House Committee On Early Childhood

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**Prepared By:** Lisa Gezelter, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 2/22

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#### **WHAT THE MEASURE DOES:**

Repeals employment-related day care program. Establishes child care subsidy program in the Early Learning Division of the Oregon Department of Education and requires Early Learning Council to promulgate rules to govern the program. Requires rules to support a statewide plan for equitable access to culturally diverse child care providers and requires Council to develop factors for assessing whether equitable access is achieved. Requires rules to establish eligibility for children regardless of citizenship status, sliding scale of co-pays based on caretaker's income, rates of reimbursement that reflect true cost of providing care, and advance payments to providers based on enrollment. Requires that federal laws and rules apply for all use of federal funds. Defines caretaker.

*REVENUE: May have revenue impact, but no statement yet issued.*

*FISCAL: May have fiscal impact, but no statement yet issued.*

#### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Oregon's employment-related day care (ERDC) program was designed to assist low-income Oregonians pay for child care while working, and is administered by the Department of Human Services. The program currently has an income eligibility limit of 185 percent of the federal poverty level, or \$4,040 in gross income per month for a family of four, and is limited to U.S. citizens or legal residents. Participating families are required to pay monthly co-pays. House Bill 2503 repeals the ERDC program and replaces it with a new subsidy program administered by the Early Learning Division in the Oregon Department of Education.